GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:296
ANSWERED ON:06.12.2016
Restructuring of FCI
Singh Shri Ravneet

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the main recommendations of Shanta Kumar Committee on restructuring of the Food Corporation of India (FCI);
(b) whether the recommendations were accepted by the Government; and
(c) if so, the details of the action taken thereon?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) to (c): A Statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.*296 DUE FOR ANSWER ON 06.12.20 16 IN THE LOK SABHA
(a), (b) & (c): Yes, Madam. The main recommendations of Shanta Kumar Committee on restructuring of the Food Corporation of India (FCI) are listed in the Annexure enclosed. These were accepted by the Government of India, and the action taken thereupon is also included in the said Annexure.
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Annexure
ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE STARRED QUESTION NO. 296* DUE FOR ANSWER ON 06.12.2016 IN THE LOK SABHA
Action taken on the main recommendations of High Level Committee headed by Shri Shanta Kumar, Hon'ble MP
(As on 15.11.2016)
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S. No	Recommendation	Action taken
1.	HLC recommends that FCI should move on to help those states where farmers suffer from distress sales at prices much below MSP, and which are dominated by small holdings, like Eastern Uttar Pradesh, Bihar, West Bengal, Assam etc. This is the belt from where second green revolution is expected, and where FCI needs to be pro-active, mobilizing state and other agencies to provide benefits of MSP and procurement to larger number of farmers, especially small and marginal ones.	61837 procurement centres (including 232 by FCI and 401 by Private Players) have been opened in Eastern States i.e. Assam, Bihar, Jharkhand, Uttar Pradesh and West Bengal for procurement of paddy during ongoing KMS 2015-16 compared to 30740 during KMS 2014-15. In KMS 2015-16, 70.70 Lakh MT paddy in terms of rice has been procured compared to 47.19 Lakh MT in KMS 2014-15.
2.	HLC recommends total end to end computerization of the entire food management system, starting from procurement from farmers, to stocking, movement and finally distribution through TPDS.	Depot Online System is operational at 490 depots out of 533 FCI Depots.
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3.	HLC recommends for fixation of scientific norms for storage losses	The performance of FCI with regards to control of storage losses is satisfactory. During 2016-17 (April, 2016 to September, 2016), there is no storage loss.
4	HLC recommends that FCI's old conventional storages that have existed for long number of years can be converted to silos with the help of private sector and other stocking agencies. Better mechanization is needed in all silos as well as conventional storages.	In keeping the view of recommendation of HLC, an action plan was approved by Government of India for construction of 100 LMT of Silos in a phased manner. In addition, CWC and other Government Agencies along with private sectors are also involved in construction and management of Silos.
5	HLC recommends that pulses and oilseeds deserve priority and GoI must provide better price support operations for them, and dovetail their MSP policy with trade policy so that their landed costs are not below their MSP.	Government of India has included FCI as an Additional Central Nodal Agency along with National Agricultural Cooperative Marketing Federation (NAFED) and Small Farmers Agri-business Consortium (SFAC) for Procurement of pulses & oilseeds.
6	HLC recommends that the condition of contract labour, which works the hardest and are the largest in number, should be improved by	

giving them better facilities.

In pursuance of the High Court of Bombay, Nagpur Bench, judgement directing for rationalization of Labour strength to optimize the labour cost, Ministry of Labour & Employment notification dated 6th July, 2016 gives exemption for two years for notified depots. FCI has taken appropriate steps for shifting/transfer/repositioning of 1739 labours within regions.

7

HLC recommends that centre should make it clear to states that in case of any bonus being given by them on top of MSP, Centre will not accept grains under the central pool beyond the quantity needed by the state for its own PDS/ OWS.

GoI vide letter dated 12.06.2014 has already intimated to all the State Governments that in case of bonus being given by them on top of MSP, Centre will not accept grains under the central pool beyond the quantity needed by the state for its own PDS/ OWS.

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HLC also recommends that levy on rice millers be done away with. HLC notes and commends that some steps have been taken recently by DFPD in this direction, but they should be institutionalized for their logical conclusion.

Levy has been withdrawn with effect from Kharif Marketing Season (KMS) 2015-16.

9

HLC recommends that targeted beneficiaries under NFSA or TPDS are given 6 months ration immediately after the procurement season ends. This will save the consumers from various hassles of monthly arrivals at FPS and also save on the storage costs of agencies.

GoI has already issued instructions for release of foodgrains upto 6 months requirement at a time.

10

HLC recommends that Covered and plinth (CAP) storage should be gradually phased out with no grain stocks remaining in CAP for more than 3 months. Silo bag technology and conventional storages where ever possible should replace CAP.

As per the recommendations of HLC, the hired Covered and plinth (CAP) capacity of 1.94 LMT was de-hired. At present no stock has been stored in CAP in consuming regions.

11

HLC recommends that a transparent liquidation policy is needed, which should automatically kick-in when FCI is faced with surplus stocks than buffer norms. Greater flexibility to FCI with business orientation to operate in OMSS and export markets is also needed.

A decision has already been taken in this regard under which FCI started selling of surplus wheat and rice in the open market in a smooth manner.